



Sandra L. Wagner
Director -
Federal Regulatory

SBC Communications Inc.
1401 I Street, N.W.
Suite 1100
Washington, D.C. 20005
Phone 202 326-8860
DOCKET FILE COPY ORIGINAL

EX PARTE OR LATE FILED

December 16, 1994

RECEIVED

DEC 16 1994

Ex Parte

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: LEC Price Cap Review, CC Docket No. 94-1

Dear Mr. Caton:

In accordance with the Commission rules governing ex parte presentations, please be advised that yesterday, Stephen Melnikoff, Sallie Westbrook, Rick Gamez and the undersigned representing Southwestern Bell met with Lauren Belvin, Senior Legal Advisor to Commissioner James Quello to discuss Southwestern Bell's position regarding the LEC price cap review. SWBT presented information regarding access competition in the Houston market area, and information regarding the influence of regulation on investment incentives. Attached are the handouts provided in the meeting.

Due to the fact that the meeting was held late in the day, this letter is being filed on the next business day. If you have any questions, please let me know.

Sincerely,

Attachments

cc: Lauren Belvin

No. of Copies rec'd
List A B C D E

0 & 1

**Southwestern Bell Position
LEC Price Cap Review**

RECEIVED

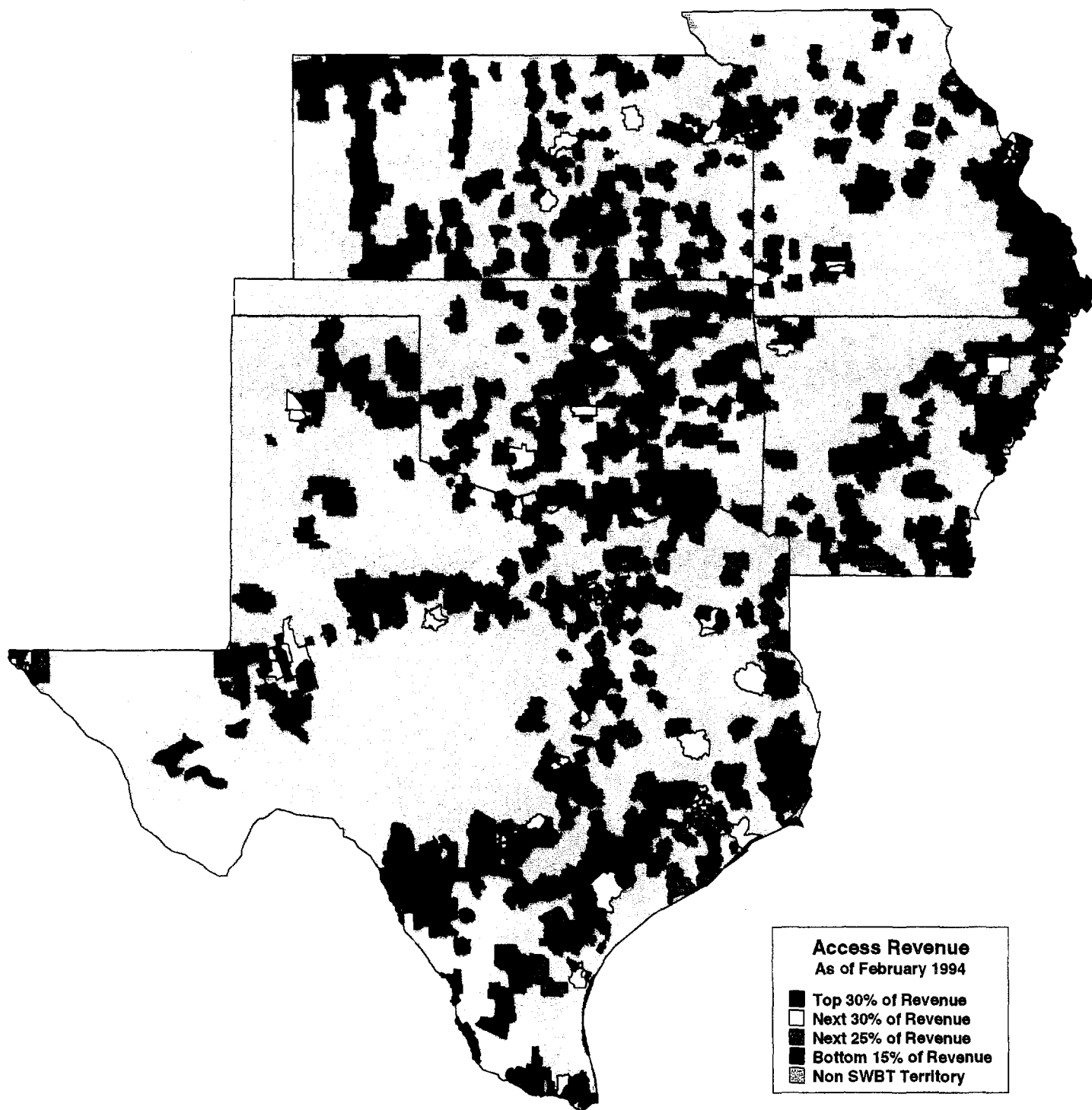
DEC 16 1994

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY**

- o Need a More Simple Plan**
- o Need the Right Plan**
 - o One that is Rational Based on Competitive Environment and Adaptive Where There is Less Competition**
 - Competition**
 - Customer Needs**
 - o One that Allows the Market to Create Incentives for Investment in Regulated Business**
 - Eliminate Sharing / Investment Follows Opportunity**
 - SWBT Is Not Disinvesting**
 - o One that Does Not Penalize LEC for Improved Productivity, Increased Demand, or Reasonable Earnings**

Southwestern Bell Territory

(Switched and Special Access Revenue)



MARKETING DEPARTMENT
GENERAL MANAGER-MARKETING SUPPORT

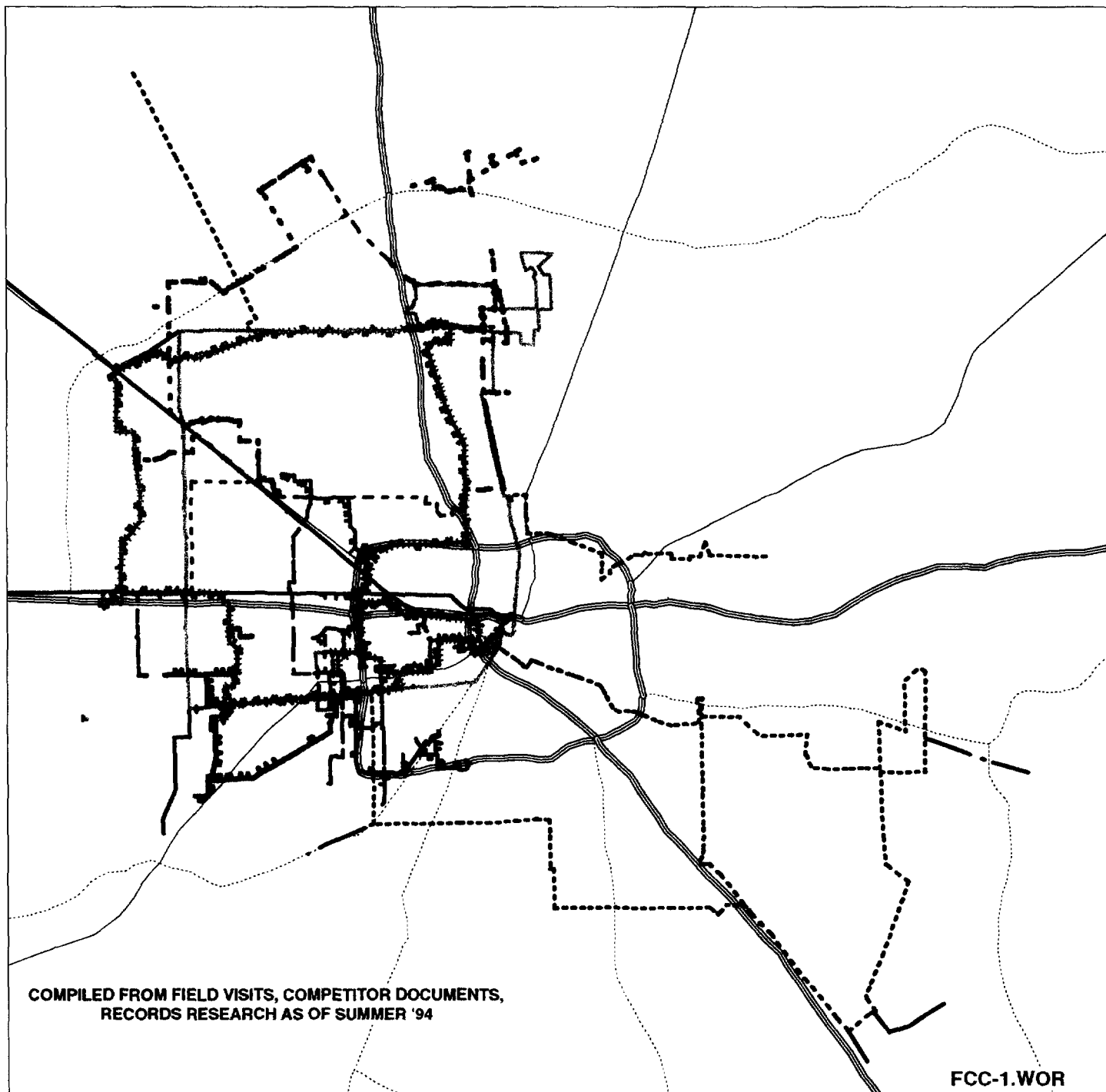
Houston Major Market Area

(Switched and Special Access Revenue)



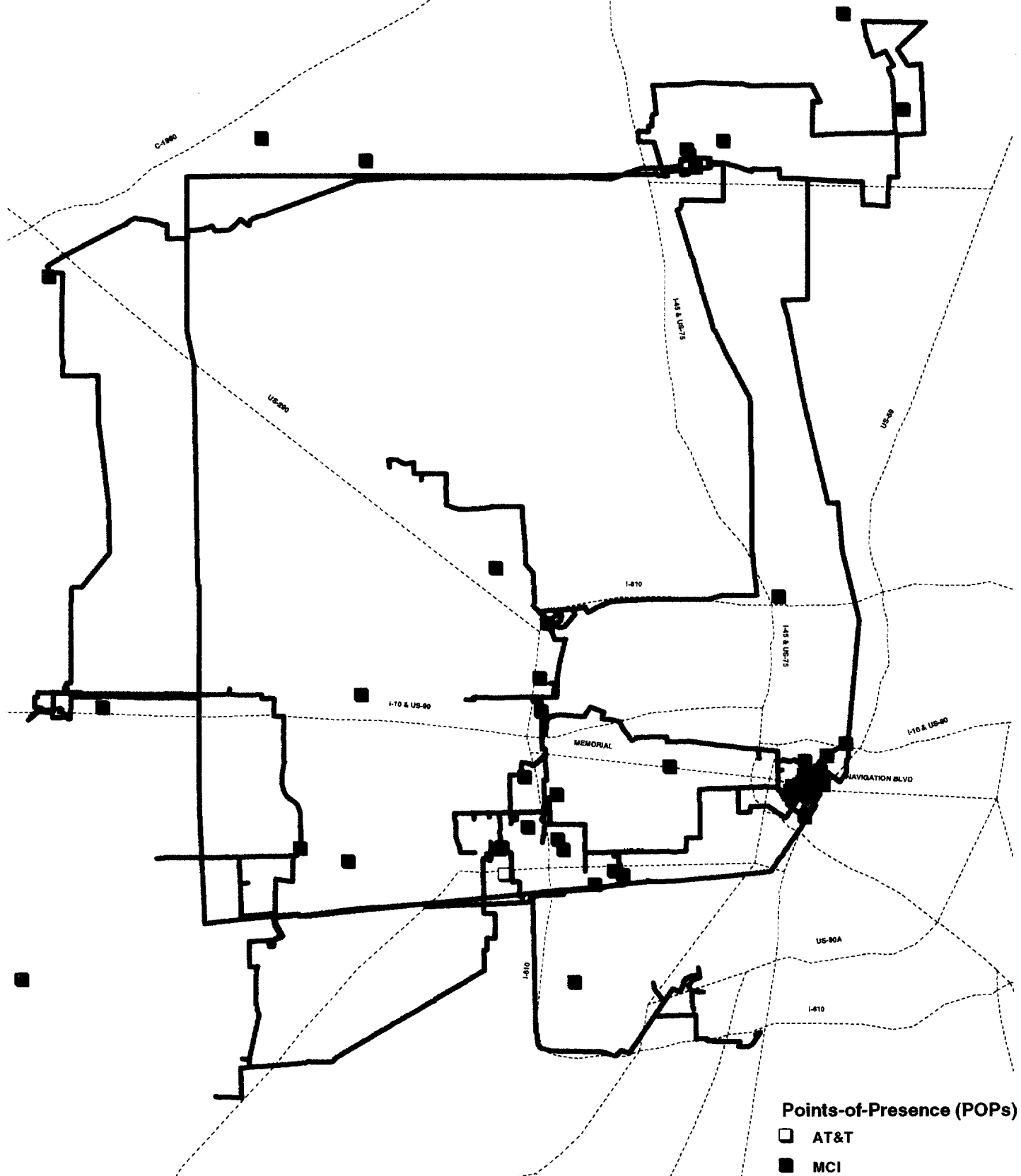
LEGEND

----- HL&P	- - - - TIME WARNER
===== PHONOSCOPE	———— US SPRINT
TELEPORT	——— MCI
———— MFS EAST TEXAS FIBERLINE
	——— ELECTRA



HOUSTON COMPETITIVE NETWORKS

CAP Networks Metropolitan Houston



MARKETING DEPARTMENT
GENERAL MANAGER-MARKETING SUPPORT
sw_olson1.wor_m_olson

Points-of-Presence (POPs)

- AT&T
- MCI
- Sprint
- Others

Competitor Fiber Routes Downtown Houston



MARKETING DEPARTMENT
GENERAL MANAGER-MARKETING SUPPORT
sw_olson4.wor_m_olson

Fiber



MFS



Phonoscope



Teleport

Competitor Fiber Routes Downtown Houston



MARKETING DEPARTMENT
GENERAL MANAGER-MARKETING SUPPORT
sw_olson7.wor_m_olson



= Building connected to a competitor's network

DS1 & DS3 Locations

Fiber

MFS

Phonoscope

Teleport

CAP Networks

Galleria Area Houston



CAP Networks Galleria- Houston



MARKETING DEPARTMENT
GENERAL MANAGER-MARKETING SUPPORT
sw_olson12.wor_m_olson

DS1 & DS3 Locations
[Symbol] = Building connected to a competitor's network

MFS Fiber
Phonoscope Fiber
Teleport Fiber

LEGEND

----- HL&P

===== PHONOSCOPE

===== TELEPORT

===== MFS

----- TIME WARNER

===== US SPRINT

===== MCI

===== EAST TEXAS FIBERLINE

===== ELECTRA

MICROWAVE

★ ★ CELLULAR / PAGING

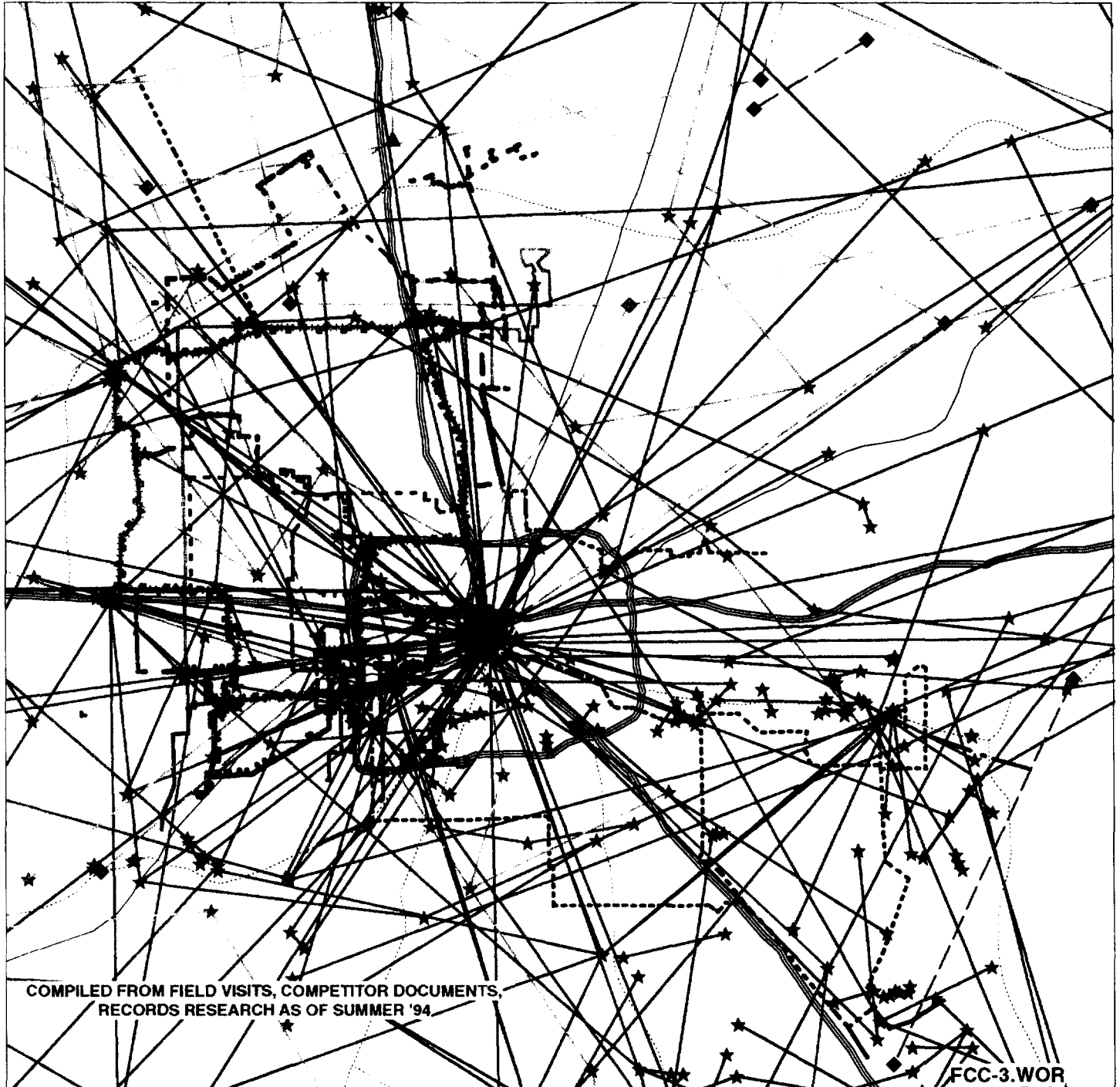
◆ ◆ COMMON CARRIER

▲ ▲ AT&T

★ ★ END USER

◆ ◆ LEC

★ ★ SWBT



HOUSTON COMPETITIVE NETWORKS